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NEWS RELEASE

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FOR RELEASE _____ October 17, 2008 11:00 A.M.

Auditor of State David A. Vaudt today released a report on a special investigation of the City of Durant for the period July 1, 2000 through May 6, 2008. The special investigation was requested by City officials as a result of concerns identified with payroll issued to the former City Clerk, Carla Graves. Ms. Graves was placed on paid administrative leave on April 9, 2008 and terminated from the City's employment on May 6, 2008.

Vaudt reported the special investigation identified \$33,180.20 of improper payroll disbursements. Of that amount, \$29,246.03 was paid to the former City Clerk during the period July 1, 2000 through May 6, 2008 and \$3,934.06 was paid for the City's FICA and IPERS contributions on the improper payroll disbursements. Vaudt also reported it was not possible to determine if additional amounts were improperly disbursed prior to July 1, 2000 because payroll records were not readily available.

Vaudt also reported the former City Clerk received pay increases at the beginning of each fiscal year which were authorized by the City Council. However, she also received 2 additional pay increases which were not authorized by the Council. The unauthorized pay increases were implemented in November 2001 and September 2002. The annual percentage pay increases received by the former City Clerk after these dates agreed with the increases authorized by Council, but the percentages were applied to her improperly inflated hourly rates.

Because the former City Clerk's hourly pay rates were improperly inflated, 169 of the 207 paychecks issued to her between July 1, 2000 and May 6, 2008 were for amounts greater than authorized.

The report also includes recommendations to the City to strengthen the City's internal controls, such as improvements to segregation of duties and reconciliation of utility billings, collections and delinquencies.

Copies of the report have been filed with the Cedar County Attorney's Office, the Division of Criminal Investigation and the Attorney General's Office. A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**REPORT ON SPECIAL INVESTIGATION
OF THE
CITY OF DURANT
FOR THE PERIOD
JULY 1, 2000 THROUGH MAY 6, 2008**

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Auditor of State's Report

To the Honorable Mayor and
Members of the City Council:

As a result of alleged improprieties regarding certain disbursements and at your request, we conducted a special investigation of the City of Durant. We have applied certain tests and procedures to selected financial transactions of the City for the period July 1, 2000 through May 6, 2008. Based on discussions with City personnel and a review of relevant information, we performed the following procedures for the period specified.

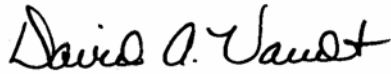
- (1) Evaluated internal controls to determine whether adequate policies and procedures were in place and operating effectively.
- (2) Reviewed the Council meeting minutes for meetings held between July 1, 1999 and May 6, 2008 for significant actions.
- (3) Examined all payroll checks to the former City Clerk, Carla Graves, to ensure the amounts had been calculated using the appropriate hourly rate.
- (4) Examined all Wage Package Resolutions approved by the City Council and compared the hourly rate approved to the hourly rate used to calculate payroll. Also, compared approved increases to actual increases.
- (5) Scanned all checks issued from the City's checking accounts and examined documentation for certain payments to determine if payments were approved, properly supported and for appropriate purposes.
- (6) Confirmed payments made to the City by the State of Iowa, Cedar County, Muscatine County and Scott County to determine if they were properly deposited to the City's accounts.
- (7) Reviewed the Community Center receipts to determine if they were properly deposited to the City's accounts.
- (8) Examined utility billing and collection records to determine if utility collections were properly accounted for and deposited.
- (9) Reviewed all investments held by the City to determine if interest rates received were at or above the minimum rate established by the State Rate Setting Committee.
- (10) Reviewed Clerk's reports to determine if financial information was accurately reported to the City Council.
- (11) Reviewed the City's Annual Financial Reports to determine if the cash balance was accurately reported.
- (12) Reviewed the City's agreement with Iowa Interstate Railroad to determine if an authorized party signed the agreement and if the agreement had been approved by the City Council.

These procedures identified \$33,180.11 of improper disbursements. We were unable to determine if additional amounts may have been improperly disbursed prior to July 1, 2000 because payroll records were not readily available. Several internal control weaknesses were also identified. Our detailed findings and recommendations are presented in the Investigative Summary and **Exhibits A** and **B** of this report.

The procedures described above do not constitute an audit of financial statements conducted in accordance with U. S. generally accepted auditing standards. Had we performed additional procedures, or had we performed an audit of financial statements of the City of Durant, other matters might have come to our attention that would have been reported to you.

Copies of this report have been filed with the Cedar County Attorney's Office, the Division of Criminal Investigation and the Attorney General's Office.

We would like to acknowledge the assistance and many courtesies extended to us by the officials and personnel of the City of Durant during the course of our investigation.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

June 23, 2008

City of Durant
Investigative Summary

Background Information

The City Council appointed Carla Graves as the City Clerk on July 24, 1999. As City Clerk, her job duties and responsibilities included:

- 1) Cash – reconciliation of bank accounts and transfers between bank accounts,
- 2) Receipts – recording of grant revenues and property taxes,
- 3) Disbursements – presentation of invoices to the City Council for approval and counter-signing checks,
- 4) Payroll – posting hours from the timecards, check preparation and counter-signing checks,
- 5) Reporting – preparation of the monthly Clerk's report for presentation to the Council.

In addition, she provided assistance to the Deputy City Clerk as requested during the normal business hours of Monday through Friday, 8:00 a.m. until 4:00 p.m. The Deputy City Clerk is responsible for utility billings and collections, receiving, posting and depositing miscellaneous collections, posting of disbursements and check preparation.

The City's primary revenue sources include local option sales tax and road use tax from the State of Iowa and property taxes collected by Cedar County, Muscatine County and Scott County and remitted to the City. Revenue is also received throughout the year from utility collections for water and sewer fees assessed to each household and business.

In addition, the City's Community Center is rented out to individuals and businesses. The City employs an individual who is solely responsible for the maintenance of the Community Center.

According to City officials, disbursements are made by checks signed by the Mayor and the City Clerk. Invoices are submitted to the Deputy City Clerk at City Hall, who places them in a monthly bill folder. The day prior to a regular City Council meeting, the Deputy City Clerk prepares a listing of the bills to be presented to the Council for approval and prepares the checks. She then provides the checks, supporting documentation and claims listing to the City Clerk. Ms. Graves reviewed the claims listing and all supporting documentation.

According to the Mayor, Ms. Graves allowed City Council members to review the individual invoices approximately 20 minutes before the Council meeting. However, if a Council member asked to review invoices at any other time, Ms. Graves did not allow them to, restricting access until 20 minutes before the Council meeting. The Council approved the bills from the claims listing and, after the claims listing was approved, the Mayor and Ms. Graves signed the checks and provided them to the Deputy City Clerk for distribution.

The City Clerk prepares payroll and the Mayor is notified when checks are ready for signature. At that time, the Mayor reviews the payroll register and asks any questions he may have. According to the Mayor, when he asked Ms. Graves any questions regarding payroll, she would respond "don't you believe me." The Mayor also indicated on one occasion, when he questioned Ms. Graves' payroll, she gathered all the payroll checks and took them to the City Treasurer to be signed. (The City no longer employs a City Treasurer.)

According to City officials, the City Council requested the City Administrator, Greg LaFond, to prepare a Position Classification and Compensation Plan in November 2007. Mr. LaFond asked Ms. Graves to gather all the payroll information, such as titles, job descriptions and hourly wages, for all City employees.

As Mr. LaFond was reviewing and compiling the information provided to him by Ms. Graves, he noticed Ms. Graves received pay increases at times other than the beginning of the fiscal year during fiscal years 2002 and 2003. Other City employees did not receive pay increases at these times. Mr. LaFond discussed his concerns with Ms. Graves.

According to Mr. LaFond, Ms. Graves stated the pay increases were authorized according to the State Auditor's Office. Mr. LaFond told Ms. Graves he did not believe the State Auditor's Office would make that statement. Ms. Graves responded by stating the 1996 Personnel Manual authorized her pay increases. Based on a review of the fiscal year 2002 financial audit, we determined Ms. Graves had used an hourly rate higher than approved by the City Council to calculate her payroll. At that time, we asked the former City Administrator and Ms. Graves about the hourly rate used and were told the City Administrator had authorized an administrative pay increase. This was contrary to the ordinance adopted by the City Council on September 26, 2000. The ordinance stated "compensation of all other officers [other than the Mayor and Council] and employees shall be set by the Council on contract or resolution." However, we were not provided this information during the fiscal year 2002 audit.

Mr. LaFond reviewed the Personnel Manual dated March 1996, which had been superseded by the September 26, 2000 ordinance adopted by the City Council. Mr. LaFond also reviewed the Council minutes and resolutions related to pay increases. Mr. LaFond determined annual pay increases were authorized by the City Council for every employee.

On April 7, 2008, Mr. LaFond conducted a meeting with all City employees to discuss the Position Classification and Compensation Plan. The pay increases for Ms. Graves were also discussed at this meeting. Ms. Graves informed Mr. LaFond the former City Administrator authorized the increase in wages. However, according to Mr. LaFond, he confirmed with the former City Administrator he was not authorized to increase wages for any employees without City Council approval.

On April 8, 2008, the City Council held a meeting at which Mr. LaFond discussed Ms. Graves' unauthorized pay increases. According to Mr. LaFond, the next day he asked Ms. Graves for the minutes of the April 8, 2008 City Council meeting. However, Ms. Graves indicated the minutes were at her home. Ms. Graves went home to gather the Council minutes which she provided to Mr. LaFond when she returned 2 hours later. At that time, Mr. LaFond asked Ms. Graves why she had taken the minutes home because the City's records were not to be removed without approval. Ms. Graves responded by saying "she had her reasons." As a result of this incident, Ms. Graves was placed on paid administrative leave on April 9, 2008.

Ms. Graves was terminated from her position as City Clerk effective May 6, 2008. As a result of the discrepancies identified, City officials requested the Office of Auditor of State conduct an investigation of the City's financial transactions. As a result of that request, we performed the procedures detailed in the Auditor of State's Report for the period July 1, 2000 through May 6, 2008.

Detailed Findings

These procedures identified \$33,180.11 of improper payroll disbursements, including \$29,246.03 of improper payroll checks issued to Ms. Graves for an amount greater than the authorized amount and \$3,934.08 for the City's FICA and IPERS contributions on the improper disbursements. These amounts are summarized in **Exhibit A**. We were unable to determine if additional amounts may have been improperly disbursed prior to July 1, 2000 because adequate records were not available. **Table 1** summarizes the improper disbursements identified. The disbursements are discussed in detail in the following paragraphs.

Table 1

Description	Improper Amount
Improper payroll issued to Carla Graves	\$ 29,246.03
City's FICA contribution	2,237.40
City's IPERS contribution	1,696.68
Total	\$ 33,180.11

Improper Payroll Issued to Carla Graves – As stated previously, the City's office hours are 8:00 a.m. to 4:00 p.m., Monday through Friday. Ms. Graves was expected to work approximately 40 hours per week and was authorized to receive overtime pay for hours worked in excess of 40 hours per week in accordance with the City's Personnel Policy and Employee Handbook. A review of Ms. Graves' timecards showed she consistently worked less than 80 hours per pay period, but her timesheets were still approved after review. In addition, there were several pay periods where the first week would be over 40 hours and Ms. Graves would receive overtime pay. The second week of the pay period would then be less than 40 hours.

The City issues payroll checks on a biweekly basis. The City's pay periods include 14 days, starting on a Monday and ending on a Sunday. Ms. Graves prepared the payroll checks using the information from the employees' timecards and the employees' hourly rates.

As the City Clerk, Ms. Graves was entitled to an authorized hourly rate ranging from \$12.85 to \$16.19 between July 2000 and May 2008. However, based on a review of the payroll checks issued to Ms. Graves, the hourly rate used actually ranged from \$12.85 to \$18.72 during that period. As illustrated in **Exhibit B**, the hourly rates used to calculate Ms. Graves' payroll were correct from July 1, 2000 through November 18, 2001. However, Ms. Graves increased her hourly pay rate by 10% beginning November 19, 2001. This increase was not authorized by the Council. The unauthorized increase is illustrated in **Exhibit B**.

Exhibit B also illustrates the subsequent 3% pay increase authorized by the Council for fiscal year 2003 was applied to Ms. Graves' improperly inflated hourly rate. Also as illustrated by the **Exhibit**, Ms. Graves again increased her hourly pay rate without the Council's approval in September 2002. The unauthorized increase was 5% of Ms Graves' improperly inflated hourly pay rate.

Each subsequent pay increase received by Ms. Graves agreed with the percentage increase authorized by the Council. However, each percentage increase was applied to Ms. Graves' improperly inflated hourly rate. The subsequent increases are illustrated in **Exhibit B** along with the amount of unauthorized increases in Ms. Graves' hourly rates from November 19, 2001 through May 11, 2008.

As stated previously, the Mayor reviews payroll, but it is the City Council's responsibility to approve any pay increases. When pay increases were presented to the City Council for approval, a Resolution was prepared by Ms. Graves which showed the percentage increase in

the hourly rate and listed each employee and their new hourly rate. However, the previous hourly rate was not listed. Copies of the fiscal years 2004 and 2006 Wage Package Resolutions have been included in **Appendix 1**. Had the City Council required or requested the hourly rate paid to City employees prior to the increase, it would have been able to determine the amount of the increase for Ms. Graves was greater than authorized.

We reviewed all payments issued to Ms. Graves for the period July 1, 2000 through May 6, 2008. Based on that review, we determined Ms. Graves received payroll checks issued for amounts greater than authorized for 169 of the 207 payroll checks issued to her. The improper amounts total \$29,246.03. There was no Council approval or other supporting documentation available for the additional pay received. Also, the additional improper pay received by Ms. Graves resulted in the City incurring an additional \$2,237.40 and \$1,696.68 for the City's FICA and IPERS contributions, respectively. The 169 payroll checks and the related City FICA and IPERS contributions are listed in **Exhibit A. Table 2** summarizes the improper payroll disbursements by fiscal year.

Table 2				
Fiscal Year	Improper Payroll	City Contributions		
		FICA	IPERS	Total
2002	\$ 1,728.03	132.23	99.36	1,959.62
2003	3,810.62	291.53	219.10	4,321.25
2004	4,336.71	331.76	249.34	4,917.81
2005	4,422.77	338.37	254.32	5,015.46
2006	4,688.31	358.62	269.58	5,316.51
2007	5,255.81	402.10	302.25	5,960.16
2008	5,003.78	382.79	302.73	5,689.30
Total	\$ 29,246.03	2,237.40	1,696.68	33,180.11

In addition, concerns were identified by Mr. LaFond regarding the retroactive compensation received by Ms. Graves in the amount of \$10,000.00 for additional work during the time the City did not have a City Administrator. The City was without an Administrator from September 21, 2006 to July 1, 2007. The retroactive compensation was discussed and approved by the City Council on June 28, 2007. However, according to the minutes, the Mayor stated Ms. Graves had done a lot but in his opinion the bonus was too high. During the period of time without an Administrator, Ms. Graves worked a total of 74.75 hours of overtime for which she was compensated.

Table 3 summarizes the additional compensation awarded Ms. Graves, as well as the other employees who received retroactive compensation.

Table 3

Employee	Description	Amount
Carla Graves, Clerk	Retroactive compensation	\$ 5,000.00
Carla Graves, Clerk	Norfolk activities	5,000.00
	Total for Ms. Graves	10,000.00
Al Olderog, Public Works Director	Retroactive compensation	5,000.00
Doug Cook, Police Chief	Retroactive compensation	2,000.00
All other full-time employees	Retroactive compensation	1,500.00
	Total for all employees	\$ 18,500.00

In addition, we reviewed the expenditure listing to determine FICA and IPERS contributions were properly withheld. The \$10,000.00 additional compensation for Ms. Graves has also been included in **Exhibit A**.

Non-Payroll Disbursements – During our investigation, we also scanned non-payroll disbursements from the City’s checking account. We selected the 2 most current fiscal years (2008 and 2007) as well as the fiscal year prior to the hiring of the Deputy City Clerk (2002) for testing. We did not identify any improper disbursements and determined further testing was not necessary.

In addition to reviewing non-payroll disbursements, concerns were identified by Mr. LaFond with an agreement entered into by the City with Iowa Interstate Railroad. According to Mr. LaFond, Ms. Graves entered into this agreement without City Council approval and, as a result, the City was incurring monthly expenses. We reviewed the agreement and noted the City Council’s discussion and approval of the agreement in the meeting minutes. We also determined the Mayor had signed the agreement. As a result, we determined Ms. Graves did not enter into the agreement without City Council approval. In addition, the agreement states “Upon completion of the Project, the City shall, at its expense, maintain the West 2nd Avenue facilities. . . . The City shall reimburse the Railroad for all costs associated with the use of agreed upon watchmen and flagmen.” As a result of our testing, no concerns were identified and no further testing was deemed necessary.

Receipts – During our investigation, we reviewed payments made to the City by the State of Iowa, Cedar County, Muscatine County and Scott County to determine if they were properly deposited to the City’s accounts. We selected the 2 most current fiscal years (2008 and 2007) as well as the fiscal year prior to the hiring of the Deputy City Clerk (2002) for testing. No concerns were identified and we determined further testing was not necessary.

Community Center – We also reviewed the payments received by the Community Center for fiscal years 2005 and 2006 to determine if the payments were being properly deposited to the City’s accounts. We selected those fiscal years because supporting documentation was not available prior to fiscal year 2005. In addition, we were informed Ms. Graves was receiving collections for the Community Center and preparing deposits during fiscal years 2005 and 2006. We reviewed the receipt books for the time periods noted and traced the Community Center receipts to deposits in the City’s bank account. No concerns were identified with the payments deposited to the City’s accounts. However, it is not possible to determine if all collections were included in the receipt books. Therefore, we are not able to determine if all collections were deposited. Also, we identified some internal control weaknesses, including a lack of pre-numbered receipt books and a lack of security for payments not immediately taken to City Hall.

In addition, through discussions with the Community Center Manager, some clubs are only billed on an annual basis and no reconciliations are performed between the billings and collections.

Utilities – As stated previously, the Deputy City Clerk was responsible for utility billings, receiving collections, posting and deposit preparation. During our review of utilities, it was determined not all records were available. Therefore, we performed utility reconciliations for the months of June 2006 and June 2007 to determine if variances existed and, if so, whether the variances could be explained.

As a result of our testing, we identified some variances. Through discussions with the Deputy City Clerk and Mr. LaFond, we were unable to determine the reason(s) for the variances. Therefore, we were unable to resolve the variances and determine if all collections had been deposited. In addition, we identified some internal control weaknesses, including lack of segregation of duties and monthly utility reconciliations not being performed.

Investments – Mr. LaFond was concerned the City had not received the minimum interest rate on investments established by the State Rate Setting Committee (Committee).

We reviewed all the City's investments to determine if the City had received the minimum statutory interest rate. We obtained investment history reports which documented the interest rate paid by the City's bank and compared those rates to the minimum rates set by the Committee. No concerns were identified and we determined further testing was not necessary.

Financial Reporting – We also reviewed the monthly Clerk's report and the Annual Financial Reports (AFRs) submitted by Ms. Graves. We compared the cash balances reported to the City's bank accounts to determine if balances were accurate. We did not identify any concerns and we determined no further testing was deemed necessary.

Recommended Control Procedures

As part of our investigation, we reviewed the procedures used by the City of Durant to perform bank reconciliations and process receipts, disbursements and payroll. An important aspect of internal control is to establish procedures to provide accountability for assets susceptible to loss from error and irregularities. These procedures provide the actions of one individual will act as a check on those of another and provide a level of assurance errors or irregularities will be noted within a reasonable time during the course of normal operations. Based on our findings and observations detailed below, the following recommendations are made to strengthen the City of Durant's internal controls.

- A. Segregation of Duties – An important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. The former City Clerk had control over each of the following areas for the City:

- (1) Cash – reconciliation of bank accounts.
- (2) Payroll – posting hours from timecards, check preparation and check counter-signing.
- (3) Financial Reporting – preparation of monthly Clerk's reports.

In addition, the Deputy City Clerk is responsible for collecting, posting and depositing collections from miscellaneous receipts and check preparation and posting for all disbursements.

The Deputy City Clerk is also solely responsible for utilities, including preparation of billings, payment collection, posting to customer accounts, application of penalties and/or liens and deposit preparation.

Recommendation – We realize segregation of duties is difficult with a limited number of office employees. However, the duties within each function listed above should be segregated between the City Clerk, Deputy City Clerk, City Administrator, Mayor and City Council Members. In addition, the City Council should review financial records, reconciliations and supporting documentation for accounting records on a periodic basis.

- B. Reconciliation of Utility Billings, Collections and Delinquencies – Utility billings, collections and delinquencies are not reconciled on a periodic basis.

Recommendation – Procedures should be established to ensure utility billings are reconciled to subsequent collections and delinquencies for each billing period. The City Council, or other independent individual designated by the City Council, should review the reconciliations and monitor delinquencies. Delinquencies should not be written off without Council approval.

- C. Payroll – During review of payroll, the following conditions were identified:

- (1) The City was not following the compensation plan outlined in section 3.01A of the Personnel Policy and Employee Handbook.
- (2) On an annual basis, the City Council reviews the hourly rate for each employee and approves any rate increases through a Resolution. The Resolution documents the new hourly rate and the approved percentage increase. During our review of payroll, we identified several instances when the former City Clerk gave herself a pay increase which was not authorized. In addition, the Resolutions do not reflect both the current hourly rate and the proposed hourly rate for comparison.

- (3) The former City Clerk was not working a minimum of 40 hours per week in accordance with the City's policy.
- (4) The timecards, payroll registers or other supporting documentation for the pay period ended July 13, 2003 could not be located.

Recommendation – The Council should ensure all policies established are being followed or the policies should be amended. The City Clerk, City Administrator, a Council Member or an individual independent of payroll preparation should periodically compare the payroll checks to the payroll register and timesheets to ensure the amounts disbursed are appropriate and properly supported. The City Council should ensure all Resolutions include the current hourly rate and the proposed hourly rate to ensure the approved percentage increase is applied accurately.

- D. Record Retention – During our investigation, we were unable to locate documentation for the July 13, 2003 pay period, including timecards and the payroll register. According to our discussion with City officials, Ms. Graves requested an employee destroy 8 boxes of financial records. We were unable to determine which records were contained in the destroyed boxes. In addition, all Community Center receipts and rental information and utility reports and records were not maintained.

Recommendation – Supporting documentation (i.e. timecards, payroll registers, receipts, utility reports) should be maintained for a minimum of 5 years, with payroll registers being maintained for a minimum of 11 years per the policy approved by the City Council.

- E. Community Center – During our review of the City's Community Center collections, the following conditions were identified:

- (1) Pre-numbered receipt books are not utilized.
- (2) Billings are not prepared on a regular basis.
- (3) Collections are not properly secured prior to deposit.
- (4) Reconciliations between billings and collections are not performed on a periodic basis.
- (5) A listing of all cash and checks received is not prepared prior to deposit.
- (6) Written agreements were not maintained after the event was held.

Recommendation – Pre-numbered receipts should be issued to ensure a sequence of receipts can be accounted for or all payments received should be received directly at City Hall. In addition, billings should be performed monthly or quarterly and all collections received should be locked in a secure location with limited access. Procedures should be established to ensure Community Center billings are reconciled to subsequent collections and delinquencies for each billing period. A Council member, or other independent individual designated by the City Council, should review the reconciliations and monitor delinquencies. A listing of all cash and checks should be prepared prior to deposit to ensure the completeness of receivables. All written agreements should be maintained.

Exhibits

Report on Special Investigation of the
City of Durant

Improper Payroll Issued to Carla Graves
For the period July 1, 2000 through May 6, 2008

Pay Period Ending Date	Hours Worked Per Timesheet		Authorized Amount*	
	Regular	Overtime	Hourly Rate	Wages
07/01/01	76.00	6.00	\$12.85	1,092.25
07/15/01	77.00	4.00	13.50	1,120.50
07/29/01	72.00	-	13.50	972.00
08/12/01	74.50	-	13.50	1,005.75
08/26/01	72.00	-	13.50	972.00
09/09/01	72.25	-	13.50	975.38
09/23/01	72.00	-	13.50	972.00
10/07/01	72.50	-	13.50	978.75
10/21/01	73.50	-	13.50	992.25
11/04/01	75.50	-	13.50	1,019.25
11/18/01	76.00	-	13.50	1,026.00
12/02/01	76.00	8.00	13.50	1,188.00
12/16/01	73.50	-	13.50	992.25
12/30/01	72.00	-	13.50	972.00
01/13/02	73.00	-	13.50	985.50
01/27/02	72.00	-	13.50	972.00
02/10/02	72.00	-	13.50	972.00
02/24/02	72.50	-	13.50	978.75
03/10/02	74.00	-	13.50	999.00
03/24/02	72.00	-	13.50	972.00
04/07/02	76.50	2.00	13.50	1,073.25
04/21/02	75.00	-	13.50	1,012.50
05/05/02	74.00	-	13.50	999.00
05/19/02	75.00	-	13.50	1,012.50
06/02/02	72.00	-	13.50	972.00
06/16/02	72.50	-	13.50	978.75
06/30/02	75.00	-	13.50	1,012.50
Fiscal year 2002				<u>27,218.13</u>
07/14/02	72.50	-	13.91	1,008.48
07/28/02	76.00	1.00	13.91	1,078.03
08/11/02	80.00	7.00	13.91	1,258.86
08/25/02	78.75	0.50	13.91	1,105.85
09/08/02	74.00	-	13.91	1,029.34
09/22/02	73.50	-	13.91	1,022.39
10/06/02	39.00	-	13.91	542.49
10/20/02	^ 69.00	-	10.43	719.84
11/03/02	^ 72.00	-	10.43	750.96
11/17/02	^ 72.00	-	10.43	750.96
12/01/02	68.50	-	13.91	952.84
12/15/02	52.00	-	13.91	723.32
12/29/02	76.00	7.00	13.91	1,203.22
01/12/03	74.00	-	13.91	1,029.34

Actual Amount		Improper Amount			
Hourly Rate Per Payroll Register	Wages	City's Contributions			Total
		Gross Payroll	FICA (7.65%)	IPERS (5.75/6.05%)	
12.85	1,092.25	-	-	-	-
13.50	1,120.50	-	-	-	-
13.50	972.00	-	-	-	-
13.50	1,005.75	-	-	-	-
13.50	972.00	-	-	-	-
13.50	975.38	-	-	-	-
13.50	972.00	-	-	-	-
13.50	978.75	-	-	-	-
13.50	992.25	-	-	-	-
13.50	1,019.25	-	-	-	-
13.50	1,026.00	-	-	-	-
14.85	1,425.60	237.60	18.18	13.66	269.44
14.85	1,091.48	99.23	7.59	5.71	112.53
14.85	1,069.20	97.20	7.44	5.59	110.23
14.85	1,084.05	98.55	7.54	5.67	111.76
14.85	1,069.21	97.21	7.44	5.59	110.24
14.85	1,069.20	97.20	7.44	5.59	110.23
14.85	1,076.63	97.88	7.49	5.63	111.00
14.85	1,098.90	99.90	7.64	5.74	113.28
14.85	1,069.20	97.20	7.44	5.59	110.23
14.85	1,180.58	107.33	8.21	6.17	121.71
14.85	1,113.75	101.25	7.75	5.82	114.82
14.85	1,098.90	99.90	7.64	5.74	113.28
14.85	1,113.75	101.25	7.75	5.82	114.82
14.85	1,069.20	97.20	7.44	5.59	110.23
14.85	1,076.63	97.88	7.49	5.63	111.00
14.85	1,113.75	101.25	7.75	5.82	114.82
	28,946.16	1,728.03	132.23	99.36	1,959.62
15.30	1,109.25	100.77	7.71	5.79	114.27
15.30	1,185.75	107.72	8.24	6.19	122.15
15.30	1,384.65	125.79	9.62	7.23	142.64
15.30	1,216.36	110.51	8.45	6.35	125.31
16.07	1,189.18	159.84	12.23	9.19	181.26
16.07	1,181.15	158.76	12.15	9.13	180.04
16.07	626.73	84.24	6.44	4.84	95.52
12.05	831.46	111.62	8.54	6.42	126.58
12.05	867.60	116.64	8.92	6.71	132.27
12.05	867.60	116.64	8.92	6.71	132.27
16.07	1,100.80	147.96	11.32	8.51	167.79
16.07	835.64	112.32	8.59	6.46	127.37
16.07	1,390.06	186.84	14.29	10.74	211.87
16.07	1,189.18	159.84	12.23	9.19	181.26

Report on Special Investigation of the
City of Durant

Improper Payroll Issued to Carla Graves
For the period July 1, 2000 through May 6, 2008

Pay Period Ending Date	Hours Worked Per Timesheet		Authorized Amount*	
	Regular	Overtime	Hourly Rate	Wages
01/26/03	76.00	1.00	13.91	1,078.03
02/09/03	80.00	1.25	13.91	1,138.88
02/23/03	77.50	7.00	13.91	1,224.08
03/09/03	76.25	2.00	13.91	1,102.37
03/23/03	72.00	-	13.91	1,001.52
04/06/03	72.00	-	13.91	1,001.52
04/20/03	72.00	-	13.91	1,001.52
05/04/03	76.00	1.00	13.91	1,078.03
05/18/03	76.00	1.00	13.91	1,078.03
06/01/03	72.25	-	13.91	1,005.00
06/15/03	72.00	-	13.91	1,001.52
06/29/03	75.00	4.50	13.91	1,137.14
Fiscal year 2003				<u>26,023.56</u>
07/13/03	72.00	-	14.39	1,036.08
07/27/03	76.50	2.00	14.39	1,144.01
08/10/03	73.00	-	14.39	1,050.47
08/24/03	76.00	3.00	14.39	1,158.40
09/07/03	72.00	-	14.39	1,036.08
09/21/03	72.00	-	14.39	1,036.08
10/05/03	76.00	-	14.39	1,093.64
10/19/03	76.00	2.00	14.39	1,136.81
11/02/03	73.00	-	14.39	1,050.47
11/16/03	73.75	-	14.39	1,061.26
11/30/03	73.25	-	14.39	1,054.07
12/14/03	72.25	-	14.39	1,039.68
12/28/03	72.00	-	14.39	1,036.08
01/11/04	72.00	-	14.39	1,036.08
01/25/04	76.00	-	14.39	1,093.64
02/08/04	76.00	-	14.39	1,093.64
02/22/04	72.75	-	14.39	1,046.87
03/07/04	77.25	-	14.39	1,111.63
03/21/04	77.50	3.50	14.39	1,190.77
04/04/04	76.00	-	14.39	1,093.64
04/18/04	72.25	-	14.39	1,039.68
05/02/04	72.00	-	14.39	1,036.08
05/16/04	72.00	-	14.39	1,036.08
05/30/04	74.75	-	14.39	1,075.65
06/13/04	72.00	-	14.39	1,036.08
06/27/04	72.00	-	14.39	1,036.08
Fiscal year 2004				<u>27,859.05</u>

Actual Amount		Improper Amount			
Hourly Rate Per Payroll Register	Wages	City's Contributions			Total
		Gross Payroll	FICA (7.65%)	IPERS (5.75/6.05%)	
16.07	1,245.44	167.41	12.81	9.63	189.85
16.07	1,315.73	176.85	13.53	10.17	200.55
16.07	1,414.17	190.09	14.54	10.93	215.56
16.07	1,273.55	171.18	13.10	9.84	194.12
16.07	1,157.04	155.52	11.90	8.94	176.36
16.07	1,157.04	155.52	11.90	8.94	176.36
16.07	1,157.04	155.52	11.90	8.94	176.36
16.07	1,245.43	167.40	12.81	9.63	189.84
16.07	1,245.44	167.41	12.81	9.63	189.85
16.07	1,161.06	156.06	11.94	8.97	176.97
16.07	1,157.04	155.52	11.90	8.94	176.36
16.07	1,329.79	192.65	14.74	11.08	218.47
	29,834.18	3,810.62	291.53	219.10	4,321.25
16.63	1,197.37	161.29	12.34	9.27	182.90
16.63	1,322.09	178.08	13.62	10.24	201.94
16.63	1,213.99	163.52	12.51	9.40	185.43
16.63	1,338.72	180.32	13.79	10.37	204.48
16.63	1,197.36	161.28	12.34	9.27	182.89
16.63	1,197.37	161.29	12.34	9.27	182.90
16.63	1,263.89	170.25	13.02	9.79	193.06
16.63	1,313.78	176.97	13.54	10.18	200.69
16.63	1,213.99	163.52	12.51	9.40	185.43
16.63	1,226.46	165.20	12.64	9.50	187.34
16.63	1,218.15	164.08	12.55	9.43	186.06
16.63	1,201.52	161.84	12.38	9.31	183.53
16.63	1,197.36	161.28	12.34	9.27	182.89
16.63	1,197.36	161.28	12.34	9.27	182.89
16.63	1,263.88	170.24	13.02	9.79	193.05
16.63	1,263.89	170.25	13.02	9.79	193.06
16.63	1,209.83	162.96	12.47	9.37	184.80
16.63	1,284.67	173.04	13.24	9.95	196.23
16.63	1,376.14	185.37	14.18	10.66	210.21
16.63	1,263.88	170.24	13.02	9.79	193.05
16.63	1,201.52	161.84	12.38	9.31	183.53
16.63	1,197.36	161.28	12.34	9.27	182.89
16.63	1,197.37	161.29	12.34	9.27	182.90
16.63	1,243.09	167.44	12.81	9.63	189.88
16.63	1,197.36	161.28	12.34	9.27	182.89
16.63	1,197.36	161.28	12.34	9.27	182.89
	32,195.76	4,336.71	331.76	249.34	4,917.81

Report on Special Investigation of the
City of Durant

Improper Payroll Issued to Carla Graves
For the period July 1, 2000 through May 6, 2008

Pay Period Ending Date	Hours Worked Per Timesheet		Authorized Amount*	
	Regular	Overtime	Hourly Rate	Wages
07/11/04	72.00	-	14.68	1,056.96
07/25/04	74.50	-	14.68	1,093.66
08/08/04	75.25	-	14.68	1,104.67
08/22/04	76.00	-	14.68	1,115.68
09/05/04	72.50	-	14.68	1,064.30
09/19/04	74.00	-	14.68	1,086.32
10/03/04	75.00	-	14.68	1,101.00
10/17/04	73.00	-	14.68	1,071.64
10/31/04	77.50	2.25	14.68	1,187.25
11/14/04	77.50	3.00	14.68	1,203.76
11/28/04	74.00	-	14.68	1,086.32
12/12/04	72.00	-	14.68	1,056.96
12/26/04	72.00	-	14.68	1,056.96
01/09/05	72.25	-	14.68	1,060.63
01/23/05	75.25	-	14.68	1,104.67
02/06/05	72.25	-	14.68	1,060.63
02/20/05	74.00	-	14.68	1,086.32
03/06/05	75.25	-	14.68	1,104.67
03/20/05	79.50	-	14.68	1,167.06
04/03/05	72.00	-	14.68	1,056.96
04/17/05	73.50	-	14.68	1,078.98
05/01/05	73.25	-	14.68	1,075.31
05/15/05	72.00	-	14.68	1,056.96
05/29/05	72.00	-	14.68	1,056.96
06/12/05	73.00	-	14.68	1,071.64
06/26/05	72.00	-	14.68	1,056.96
Fiscal year 2005				<u>28,323.23</u>
07/10/05	73.75	-	15.12	1,115.10
07/24/05	72.00	-	15.12	1,088.64
08/07/05	72.00	-	15.12	1,088.64
08/21/05	72.00	-	15.12	1,088.64
09/04/05	72.00	-	15.12	1,088.64
09/18/05	72.00	-	15.12	1,088.64
10/02/05	72.00	-	15.12	1,088.64
10/16/05	72.75	-	15.12	1,099.98
10/30/05	73.00	-	15.12	1,103.76
11/13/05	79.25	1.00	15.12	1,220.94
11/27/05	76.75	9.50	15.12	1,375.92
12/11/05	72.00	-	15.12	1,088.64

Actual Amount		Improper Amount			
Hourly Rate Per Payroll Register	Wages	City's Contributions			
		Gross Payroll	FICA (7.65%)	IPERS (5.75/6.05%)	Total
16.63	1,197.37	140.41	10.74	8.07	159.22
16.63	1,238.94	145.28	11.11	8.35	164.74
16.63	1,251.41	146.74	11.23	8.44	166.41
16.63	1,263.88	148.20	11.34	8.52	168.06
16.63	1,205.68	141.38	10.82	8.13	160.33
16.63	1,230.62	144.30	11.04	8.30	163.64
16.63	1,247.25	146.25	11.19	8.41	165.85
16.63	1,213.99	142.35	10.89	8.19	161.43
16.63	1,344.96	157.71	12.06	9.07	178.84
16.63	1,363.67	159.91	12.23	9.19	181.33
16.96	1,527.99	441.67	33.79	25.40	500.86
16.96	1,221.12	164.16	12.56	9.44	186.16
16.96	1,221.12	164.16	12.56	9.44	186.16
16.96	1,225.36	164.73	12.60	9.47	186.80
16.96	1,276.24	171.57	13.13	9.87	194.57
16.96	1,225.36	164.73	12.60	9.47	186.80
16.96	1,255.04	168.72	12.91	9.70	191.33
16.96	1,276.24	171.57	13.13	9.87	194.57
16.96	1,348.32	181.26	13.87	10.42	205.55
16.96	1,221.12	164.16	12.56	9.44	186.16
16.96	1,246.56	167.58	12.82	9.64	190.04
16.96	1,242.32	167.01	12.78	9.60	189.39
16.96	1,221.12	164.16	12.56	9.44	186.16
16.96	1,221.12	164.16	12.56	9.44	186.16
16.96	1,238.08	166.44	12.73	9.57	188.74
16.96	1,221.12	164.16	12.56	9.44	186.16
	32,746.00	4,422.77	338.37	254.32	5,015.46
17.47	1,288.41	173.31	13.26	9.97	196.54
17.47	1,257.85	169.21	12.94	9.73	191.88
17.47	1,257.84	169.20	12.94	9.73	191.87
17.47	1,257.85	169.21	12.94	9.73	191.88
17.47	1,257.84	169.20	12.94	9.73	191.87
17.47	1,257.84	169.20	12.94	9.73	191.87
17.47	1,257.84	169.20	12.94	9.73	191.87
17.47	1,270.94	170.96	13.08	9.83	193.87
17.47	1,275.31	171.55	13.12	9.86	194.53
17.47	1,410.71	189.77	14.52	10.91	215.20
17.47	1,589.77	213.85	16.36	12.30	242.51
17.47	1,257.84	169.20	12.94	9.73	191.87

Report on Special Investigation of the
City of Durant

Improper Payroll Issued to Carla Graves
For the period July 1, 2000 through May 6, 2008

Pay Period Ending Date	Hours Worked Per Timesheet		Authorized Amount*	
	Regular	Overtime	Hourly Rate	Wages
12/25/05	72.00	-	15.12	1,088.64
01/08/06	76.00	3.00	15.12	1,217.16
01/22/06	76.00	-	15.12	1,149.12
02/05/06	80.00	4.50	15.12	1,311.66
02/19/06	76.00	3.50	15.12	1,228.50
03/05/06	76.00	1.25	15.12	1,177.47
03/19/06	78.50	-	15.12	1,186.92
04/02/06	78.00	-	15.12	1,179.36
04/16/06	73.25	-	15.12	1,107.54
04/30/06	76.00	1.00	15.12	1,171.80
05/14/06	76.00	1.50	15.12	1,183.14
05/28/06	76.75	0.50	15.12	1,171.80
06/11/06	75.25	-	15.12	1,137.78
06/25/06	80.00	4.75	15.12	1,317.33
Fiscal year 2006				<u>30,164.40</u>
07/09/06	80.00	8.75	15.72	1,463.93
07/23/06	80.00	8.00	15.72	1,446.24
08/06/06	78.00	3.25	15.72	1,302.80
08/20/06	72.00	-	15.72	1,131.84
09/03/06	77.00	-	15.72	1,210.44
09/17/06	76.00	1.00	15.72	1,218.30
10/01/06	80.00	3.00	15.72	1,328.34
10/15/06	80.00	30.25	15.72	1,970.90
10/29/06	80.00	6.00	15.72	1,399.08
11/12/06	77.50	1.00	15.72	1,241.88
11/26/06	78.00	2.50	15.72	1,285.11
12/10/06	80.00	1.50	15.72	1,292.97
12/24/06	75.00	-	15.72	1,179.00
01/07/07	75.00	-	15.72	1,179.00
01/21/07	75.00	-	15.72	1,179.00
02/04/07	79.75	-	15.72	1,253.67
02/18/07	80.00	8.75	15.72	1,463.93
03/04/07	40.00	2.25	15.72	681.86
03/18/07	75.00	-	15.72	1,179.00
04/01/07	75.00	-	15.72	1,179.00
04/15/07	80.00	13.50	15.72	1,575.93
04/29/07	80.00	9.75	15.72	1,487.51
05/13/07	75.00	-	15.72	1,179.00
05/27/07	75.00	-	15.72	1,179.00
06/10/07	75.00	6.50	15.72	1,332.27
06/24/07	75.00	-	15.72	1,179.00
06/29/07 ~				5,000.00
06/29/07 ~				5,000.00
Fiscal year 2007				<u>43,519.00</u>

Actual Amount		Improper Amount			
Hourly Rate Per Payroll Register	Wages	City's Contributions			Total
		Gross Payroll	FICA (7.65%)	IPERS (5.75/6.05%)	
17.47	1,257.84	169.20	12.94	9.73	191.87
17.47	1,406.34	189.18	14.47	10.88	214.53
17.47	1,327.72	178.60	13.66	10.27	202.53
17.47	1,515.52	203.86	15.60	11.72	231.18
17.47	1,419.45	190.95	14.61	10.98	216.54
17.47	1,360.48	183.01	14.00	10.52	207.53
17.47	1,371.40	184.48	14.11	10.61	209.20
17.47	1,362.66	183.30	14.02	10.54	207.86
17.47	1,279.68	172.14	13.17	9.90	195.21
17.47	1,353.94	182.14	13.93	10.47	206.54
17.47	1,367.03	183.89	14.07	10.57	208.53
17.47	1,353.92	182.12	13.93	10.47	206.52
17.47	1,314.62	176.84	13.53	10.17	200.54
17.47	1,522.07	204.74	15.66	11.77	232.17
	34,852.71	4,688.31	358.62	269.58	5,316.51
18.17	1,626.89	162.96	12.47	9.37	184.80
18.17	1,607.24	161.00	12.32	9.26	182.58
18.17	1,450.01	147.21	11.26	8.46	166.93
18.17	1,257.85	126.01	9.64	7.25	142.90
18.17	1,353.93	143.49	10.98	8.25	162.72
18.17	1,700.52	482.22	36.89	27.73	546.84
18.17	1,535.37	207.03	15.84	11.90	234.77
18.17	2,278.06	307.16	23.50	17.66	348.32
18.17	1,617.13	218.05	16.68	12.54	247.27
18.17	1,435.43	193.55	14.81	11.13	219.49
18.17	1,485.40	200.29	15.32	11.52	227.13
18.17	1,494.48	201.51	15.42	11.59	228.52
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,469.50	215.83	16.51	12.41	244.75
18.17	1,692.08	228.15	17.45	13.12	258.72
18.17	788.12	106.26	8.13	6.11	120.50
18.17	1,362.76	183.76	14.06	10.57	208.39
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,821.54	245.61	18.79	14.12	278.52
18.17	1,719.34	231.83	17.73	13.33	262.89
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,362.75	183.75	14.06	10.57	208.38
18.17	1,539.91	207.64	15.88	11.94	235.46
18.17	1,362.75	183.75	14.06	10.57	208.38
	5,000.00	-	-	-	-
	5,000.00	-	-	-	-
	48,774.81	5,255.81	402.10	302.25	5,960.16

Report on Special Investigation of the
City of Durant

Improper Payroll Issued to Carla Graves
For the period July 1, 2000 through May 6, 2008

Pay Period Ending Date	Hours Worked Per Timesheet		Authorized Amount*	
	Regular	Overtime	Hourly Rate	Wages
07/08/07	80.00	7.00	16.19	1,465.20
07/22/07	80.00	6.25	16.19	1,446.98
08/05/07	80.00	14.75	16.19	1,653.40
08/19/07	80.00	6.50	16.19	1,453.05
09/02/07	75.00	-	16.19	1,214.25
09/16/07	77.50	2.00	16.19	1,303.30
09/30/07	78.75	0.75	16.19	1,293.18
10/14/07	75.00	-	16.19	1,214.25
10/28/07	77.25	-	16.19	1,250.68
11/11/07	75.00	-	16.19	1,214.25
11/25/07	74.75	0.25	16.19	1,216.27
12/09/07	76.75	-	16.19	1,242.58
12/23/07	75.00	-	16.19	1,214.25
01/06/08	75.00	-	16.19	1,214.25
01/20/08	75.00	-	16.19	1,214.25
02/03/08	77.50	3.25	16.19	1,333.65
02/17/08	77.50	2.75	16.19	1,321.51
03/02/08	80.00	-	16.19	1,295.20
03/16/08	77.50	3.00	16.19	1,327.58
03/30/08	75.00	-	16.19	1,214.25
04/13/08	80.00	-	16.19	1,295.20
04/27/08	80.00	-	16.19	1,295.20
05/11/08	205.45	#	16.19	3,326.24
Fiscal year 2008				<u>32,018.97</u>
Total				<u>\$ 215,126.34</u>

* - Based on the percentage increase approved by the City Council.

^ - Ms. Graves was placed on disability leave after the birth of a child. The Personnel Policy and Employee Handbook did not address maternity leave; therefore, disability was granted. On disability, an eligible employee shall receive compensation at the rate of 75% of the employee's base wage at the time of disability.

~ - Ms. Graves received \$10,000 in additional compensation. This additional compensation was approved by the City Council on June 28, 2007 for additional work performed during the period when the City did not have a City Administrator.

- In addition to her regular hours, Ms. Graves received a vacation payout upon her termination.

Actual Amount		Improper Amount			
Hourly Rate Per Payroll Register	Wages	City's Contributions			Total
		Gross Payroll	FICA (7.65%)	IPERS (5.75/6.05%)	
18.17	1,644.39	179.19	13.71	10.84	203.74
18.17	1,623.95	176.97	13.54	10.71	201.22
18.17	1,855.61	202.21	15.47	12.23	229.91
18.17	1,630.76	177.71	13.59	10.75	202.05
18.17	1,362.75	148.50	11.36	8.98	168.84
18.17	1,462.69	159.39	12.19	9.64	181.22
18.17	1,785.44	492.26	37.66	29.78	559.70
18.17	1,404.00	189.75	14.52	11.48	215.75
18.17	1,446.12	195.44	14.95	11.82	222.21
18.17	1,404.00	189.75	14.52	11.48	215.75
18.17	1,406.34	190.07	14.54	11.50	216.11
18.72	1,436.76	194.18	14.85	11.75	220.78
18.72	1,404.00	189.75	14.52	11.48	215.75
18.72	1,404.00	189.75	14.52	11.48	215.75
18.72	1,404.00	189.75	14.52	11.48	215.75
18.72	1,542.06	208.41	15.94	12.61	236.96
18.72	1,528.02	206.51	15.80	12.49	234.80
18.72	1,497.60	202.40	15.48	12.25	230.13
18.72	1,535.04	207.46	15.87	12.55	235.88
18.72	1,404.00	189.75	14.52	11.48	215.75
18.72	1,497.60	202.40	15.48	12.25	230.13
18.72	1,497.60	202.40	15.48	12.25	230.13
18.72	3,846.02	519.78	39.76	31.45	590.99
	37,022.75	5,003.78	382.79	302.73	5,689.30
	244,372.37	29,246.03	2,237.40	1,696.68	33,180.11

Report on Special Investigation of the
City of Durant

Comparison of Authorized Pay Increases to Actual Pay Increases
For the period July 1, 2000 through May 6, 2008

Authorized by Council			
	A	B	C=A*1.0B
Dates	Hourly Rate	Authorized Percentage Increase	New Hourly Rate
07/01/01 - 06/30/02	\$ 12.85	5%	13.50 ~
-	-	-	-
07/01/02 - 06/30/03	13.50	3.0%	13.91 *
-	-	-	-
07/01/03 - 06/30/04	13.91	3.5%	14.39 *
07/01/04 - 06/30/05	14.39	2.0%	14.68 *
07/01/05 - 06/30/06	14.68	3.0%	15.12 *
07/01/06 - 06/30/07	15.12	4.0%	15.72 *
07/01/07 - 06/30/08	15.72	3.0%	16.19 *

~ - Per a City Council resolution, the percentage increase was not listed,
but each employee received a 5% increase from the previous fiscal
year's authorized hourly rate.

* - Based on the percentage increase approved by the City Council.


Actual			C-D
D		Unauthorized Portion of Hourly Rate	
Dates	Hourly Rate		
07/01/01 - 11/18/01	13.50	5.0%	-
11/19/01 - 06/30/02	14.85	10.0%	\$1.35
07/01/02 - 09/07/02	15.30	3.0%	1.39
09/08/02 - 06/29/03	16.07	5.0%	2.16
07/01/03 - 11/14/04	16.63	3.5%	2.24
11/15/04 - 06/26/05	16.96	2.0%	2.28
06/27/05 - 06/25/06	17.47	3.0%	2.35
06/26/06 - 11/25/07	18.17	4.0%	2.45
11/26/07 - 05/11/08	18.72	3.0%	2.53

Report on Special Investigation of the
City of Durant

Staff

This special investigation was performed by:

Annette K. Campbell, CPA, Director
Jennifer Campbell, CPA, Senior Auditor II
Melissa J. Knoll-Speer, Senior Auditor
Donald J. Lewis, CPA, Staff Auditor


Tamera S. Kusian, CPA
Deputy Auditor of State

Appendix

Report on Special Investigation of the
City of Durant

Copies of FY04 and FY06 Wage Package Resolutions

RESOLUTION NO. 2003-20

A RESOLUTION ADOPTING THE WAGE PACKAGE FOR FY04

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT, IOWA:

Section 1. The Council has reviewed and approved a wage increase of three and a half percent for the City employees. Seasonal employee pay is based on position and experience. Mileage will be reimbursed at the current Federal rate. Bingo rates are minimum wage by Iowa law. Refer to the employee handbook for further compensation regulations. The City Clerk is authorized to issue payroll checks, following legal and council guidelines, at the new wages effective first pay period FY04.

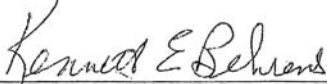
ADMINISTRATION	RATE
TUTSKEY, JERRY	21.20
GRAVES, CARLA	16.63
KEESE, KATHY	7.25
GOERDT, TERRY	20.70

PUBLIC WORKS	
OLDEROG, AL	16.26
HORST, ART	14.40
SEMSCH, JARED	13.13

COMMUNITY CENTER	
NEUMANN, KEVIN	13.43
VORWALD, LINDA	8.80
JENKINS, KATHLEEN	7.68
LARSON, FRAN	7.52

POLICE DEPARTMENT	
COOK, DOUG	18.89
MCCLANAHAN, BOB	16.95
MILLER, BILL	13.68

PASSED, APPROVED & ADOPTED this 10th day of June, 2003.


Ken Behrens, Mayor


ATTEST:

Carla Graves, City Clerk

Report on Special Investigation of the
City of Durant

Copies of FY04 and FY06 Wage Package Resolutions

RESOLUTION NO. 2005-18

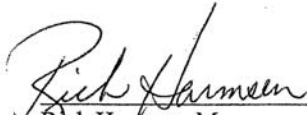
A RESOLUTION ADOPTING THE WAGE PACKAGE FOR FY06


BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DURANT, IOWA:

Section 1. The Council has reviewed and approved a wage increase of three percent for the City employees. The Police Department wage is set by Teamsters Union contract. The Deputy City Clerk position is re-established at \$9.00. Mileage will be reimbursed at the current Federal rate. Refer to the employee handbook for further compensation regulations. The City Clerk is authorized to issue payroll checks, following legal and Council guidelines, at the new wages effective first pay period FY06.

ADMINISTRATION	RATE
TUTSKEY, JERRY, Administrator	22.27
GRAVES, CARLA, City Clerk	17.47
KEESE, KATHY, Deputy City Clerk	9.00
GOERDT, TERRY, Inspector	21.74
PUBLIC WORKS	
OLDEROG, ALLEN, Director	17.09
HORST, ART	15.13
SEMSCH, JARED	13.79
HUSTON, GEOFF	9.27
COMMUNITY CENTER	
NEUMANN, KEVIN, Manager	14.11
VORWALD, LINDA	9.25
LARSON, FRAN	7.90
SORGENFREY, ELAINE	6.30
POLICE DEPARTMENT	
COOK, DOUG, Chief	19.85
MCCLANAHAN, ROBERT	17.81
MILLER JR, CHARLES	15.45

PASSED, APPROVED & ADOPTED this 28th day of June, 2005.


Rich Harmsen, Mayor


ATTEST:
Carla Graves, City Clerk